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# Honduras

## Economic Performance Assessment

### DATA SUPPLEMENT



**May 2006**

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# **Honduras**

## **Economic Performance Assessment**

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#### **DISCLAIMER**

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Sponsored by the Economic Growth office of USAID's Bureau of Economic Growth, Agriculture and Trade (EGAT), and implemented by Nathan Associates Inc. under Contract No. PCE-I-00-00-00013-00, Task Order 004, the Country Analytical Support (CAS) Project, 2004-2006, has developed a standard methodology for producing analytical reports to provide a clear and concise evaluation of economic growth performance in designated host countries. These reports are tailored to meet the needs of USAID missions and regional bureaus for country specific analysis. Each report contains:

- A synthesis of data drawn from numerous sources, including World Bank publications and other international data sets currently used by USAID for economic growth analysis, as well as accessible host-country data sources;
- International benchmarking to assess country performance in comparison to similar countries and groups of countries;
- An easy-to-read analytic narrative that highlights areas in which a country's performance is particularly strong or weak, thereby assisting in the identification of future programming priorities.

Under the CAS Project, Nathan Associates will also respond to mission requests for in-depth sector studies to examine more thoroughly particular issues identified by the data analysis in these country reports.

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Electronic copies of reports and materials relating to the CAS project are available at [www.nathaninc.com](http://www.nathaninc.com). For further information or hard copies of CAS publications, please contact

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# Honduras Dataset (1)

Indicator Number	Growth Performance						
	Per capita GDP, purchasing power parity Dollars	Per capita GDP, current U.S. Dollars	Real GDP growth	Growth of labor productivity	Investment productivity - incremental capital-output ratio (ICOR)	Share of gross fixed investment in GDP, current prices	Share of gross fixed private investment in GDP, current prices
Indicator Number	11P1	11P2	11P3	11S1	11S2	11S3	11S4
<b>Honduras Data</b>							
<i>Latest Year (T)</i>	2005	2005	2005	2003	2003	2003	2003
Value Year T	2,793	1,069	4.2	-0.2	10.8	24.0	15.7
Value Year T-1	2,682	1,035	4.6	-1.2	11.0	22.1	16.9
Value Year T-2	2,588	992	3.5	0.1	8.9	23.6	17.0
Value Year T-3	2,524	963	2.7	1.8	8.7	26.1	20.3
Value Year T-4	2,480	961	2.6	-5.2	.	36.1	22.6
Average Value, 5 year	2,613	1,004	3.5	-0.9	.	26.4	18.5
Growth Trend	3.0	2.9	.	.	.	-9.4	-8.7
<b>Benchmark Data</b>							
Regression Benchmark	.	.	3.7	.	.	23.5	.
Lower Bound	.	.	2.3	.	.	21.0	.
Upper Bound	.	.	5.0	.	.	26.1	.
<i>Latest Year Costa Rica</i>	2005	2005	2005	2003	2003	2003	.
Costa Rica Value Latest Year	10,316	4,526	3.2	3.7	4.5	19.7	.
<i>Latest Year Chile</i>	2005	2005	2005	2003	2003	2003	.
Chile Value Latest Year	11,537	6,272	6.1	1.6	9.3	22.8	.
LMI-LAC Avg.	4,663	2,358	3.7	-0.2	10.0	18.5	.
Low-Middle Income Avg.	5,323	2,298	4.5	1.8	5.6	22.3	.
High Five Avg.	45,202	58,939	12.9	14.1	70.2	48.6	.
Low Five Avg.	698	132	-1.2	-13.3	-302.9	7.7	.

# Honduras Dataset (1)

Poverty and Inequality									
Indicator Number	Human Poverty Index (0 for excellent to 100 for poor)	Income share accruing to poorest 20%	Population (%) living on less than \$1 PPP per day	Poverty headcount (%), by national poverty line	PRSP Status	Income share accruing to richest 20%	Ratio of income share accruing to richest 20 % to share poorest 20%	Population (%) below minimum dietary energy consumption	Poverty gap at \$1 PPP a day
Indicator Number	12P1	12P2	12P3	12P4	12P5	12P6	12P7	12S1	12S2
<b>Honduras Data</b>									
Latest Year (T)	2005	2003	1999	2004	.	2003	1999	2003	1999
Value Year T	16.9	3.4	20.7	64.0	YES	60.2	21.5	22.0	7.5
Value Year T-1	16.6	.	23.8	.	.	60.2	.	.	11.6
Value Year T-2	19.9	.	.	.	.	60.2	.	20.0	.
Value Year T-3	.	.	25.0	.	.	.	.	.	9.1
Value Year T-4	.	.	.	.	.	58.9	.	.	.
Average Value, 5 year	.	.	.	.	.	.	.	.	.
Growth Trend	.	.	.	.	.	.	.	.	.
<b>Benchmark Data</b>									
Regression Benchmark	21.1	4.0	24.1	46.2	.	.	.	24.2	.
Lower Bound	15.4	3.1	16.6	38.0	.	.	.	16.2	.
Upper Bound	26.8	4.9	31.7	54.4	.	.	.	32.2	.
Latest Year Costa Rica	2003	2000	2000	.	2001	2000	2000	2001	2000
Costa Rica Value Latest Year	4.0	4.2	2.0	.	.	51.5	12.3	6.0	0.7
Latest Year Chile	2003	2000	2000	.	.	2000	2000	2001	2000
Chile Value Latest Year	3.7	3.3	2.0	.	.	62.2	18.7	4.0	0.5
LMI-LAC Avg.	11.4	2.9	17.0	.	.	57.2	17.7	13.0	6.9
Low-Middle Income Avg.	16.3	8.1	4.2	.	.	48.0	8.1	11.0	1.2
High Five Avg.	60.6	8.7	.	.	.	62.7	25.2	66.0	11.8
Low Five Avg.	4.1	5.9	.	.	.	36.2	3.8	3.0	0.5

# Honduras Dataset (1)

Indicator Number	Economic Structure					
	Employment or labor force in agriculture, % total	Employment or labor force in industry, % total	Employment or labor force in services, % total	Output structure (agriculture, value added, % GDP)	Output structure (industry, value added, % GDP)	Output structure (services, etc., value added, % GDP)
Indicator Number	13P1a	13P1b	13P1c	13P2a	13P2b	13P2c
<b>Honduras Data</b>						
<i>Latest Year (T)</i>	2002	2002	2002	2003	2003	2003
Value Year T	37.4	21.4	41.2	13.6	31.0	55.5
Value Year T-1	32.8	20.9	46.2	13.4	30.7	55.9
Value Year T-2	.	.	.	14.0	31.4	54.6
Value Year T-3	35.1	22.0	42.9	16.2	31.6	52.3
Value Year T-4	34.6	23.0	42.4	15.9	32.4	51.7
Average Value, 5 year	.	.	.	14.6	31.4	54.0
Growth Trend	.	.	.	-4.9	-1.2	2.1
<b>Benchmark Data</b>						
Regression Benchmark	.	.	.	19.9	23.6	.
Lower Bound	.	.	.	13.8	17.6	.
Upper Bound	.	.	.	25.9	29.6	.
<i>Latest Year Costa Rica</i>	2002	2002	2002	2003	2003	2003
Costa Rica Value Latest Year	15.9	22.5	61.1	8.8	28.7	62.5
<i>Latest Year Chile</i>	2002	2002	2002	2003	2003	2003
Chile Value Latest Year	13.5	23.9	62.6	8.8	34.3	56.9
LMI-LAC Avg.	21.8	20.9	59.2	11.2	29.4	58.5
Low-Middle Income Avg.	24.2	20.9	51.2	12.2	30.4	54.7
High Five Avg.	41.5	37.1	72.8	56.0	66.2	77.7
Low Five Avg.	0.3	12.9	36.0	0.8	12.3	15.4

# Honduras Dataset (1)

Indicator Number	Demography and Environment						Gender		
	Adult literacy rate	Age dependency rate	Environmental sustainability index (0 for poor to 100 for excellent)	Population size (millions)	Population growth rate	Urbanization rate	Ratio of male to female - adult literacy rate	Ratio of male to female - gross enrollment rate, all levels	Ratio of male to female - life expectancy at birth
Indicator Number	14P1	14P2	14P3	14P4a	14P4b	14P5	15P1	15P2	15P3
<b>Honduras Data</b>									
Latest Year (T)	2004	2004	2005	2004	2004	2004	2004	2002	2004
Value Year T	80.0	0.77	47.4	7.0	2.2	46.0	0.99	1.05	0.94
Value Year T-1	.	0.78	.	6.9	2.3	45.6	1.00	.	0.94
Value Year T-2	.	0.80	.	6.7	2.3	45.2	1.00	.	0.94
Value Year T-3	80.0	0.81	53.1	6.6	2.4	44.8	.	.	.
Value Year T-4	75.0	0.83	.	6.4	2.5	44.4	.	.	0.94
Average Value, 5 year	.	0.80	.	6.7	2.3	45.2	.	.	.
Growth Trend	.	-1.86	.	2.3	.	0.9	.	.	.
<b>Benchmark Data</b>									
Regression Benchmark	75.4	0.68	45.0	.	1.9	47.2	.	.	.
Lower Bound	66.7	0.62	41.3	.	1.5	38.0	.	.	.
Upper Bound	84.1	0.73	48.7	.	2.3	56.5	.	.	.
Latest Year Costa Rica	2002	2003	2005	2003	2003	2003	2003	2003	2003
Costa Rica Value Latest Year	95.8	0.55	59.6	4.0	1.6	60.6	1.00	0.97	0.94
Latest Year Chile	2002	2003	2005	2003	2003	2003	2003	2003	2003
Chile Value Latest Year	95.7	0.52	53.6	15.8	1.2	86.6	1.00	1.01	0.92
LMI-LAC Avg.	85.0	0.58	52.4	8.8	1.5	64.2	1.02	0.98	0.92
Low-Middle Income Avg.	87.8	0.58	47.8	8.0	1.4	57.0	1.03	0.99	0.93
High Five Avg.	99.7	1.03	72.6	607.0	4.6	100.0	2.48	1.59	1.02
Low Five Avg.	35.7	0.38	32.6	31,200.0	-0.8	9.0	0.91	0.86	0.84

(1) For definitions and methodology please see Technical Notes.



Honduras Dataset (1)

Fiscal and Monetary Policy										
Indicator Number	Government expense, % GDP	Government revenue, % GDP	Growth in the broad money supply	Inflation rate	Cash Surplus/Deficit (% of GDP)	Composition of government expense (wages and salaries)	Composition of government expense (goods and services)	Composition of government expense (interest payments)	Composition of government expense (subsidies and other current transfers)	Composition of government expense (other expense)
Indicator Number	21P1	21P2	21P3	21P4	21P5	21S1a	21S1b	21S1c	21S1d	21S1e
<i>Honduras Data</i>										
<i>Latest Year (T)</i>	2005	2005	2004	2005	2005	2005	2005	2005	2005	2005
Value Year T	24.1	19.3	20.7	8.8	-3.0	46.7	15.3	6.0	25.6	6.3
Value Year T-1	24.0	19.6	15.8	8.1	-3.5	52.6	11.6	6.3	22.8	6.7
Value Year T-2	25.7	18.5	13.7	7.7	-6.1	50.7	12.3	5.4	25.9	5.8
Value Year T-3	24.7	18.3	17.5	7.7	-5.3	54.8	13.3	5.7	20.8	5.4
Value Year T-4	26.1	18.2	24.4	9.7	-6.1	52.5	15.7	6.8	20.3	4.6
Average Value, 5 year	24.9	18.8	18.4	8.4	-4.8	51.5	13.6	6.0	23.1	5.8
Growth Trend	-1.9	1.9	-4.2	-1.4	.	-2.7	-1.9	-1.7	5.8	8.7
<i>Benchmark Data</i>										
Regression Benchmark	19.2	17.9	17.1	6.9	-2.6	.	.	.	.	.
Lower Bound	15.1	13.6	8.6	3.6	-4.2	.	.	.	.	.
Upper Bound	23.3	22.1	25.6	10.2	-1.0	.	.	.	.	.
<i>Latest Year Costa Rica</i>	2003	2003	2003	2005	2003	2003	2003	2003	2003	2003
Costa Rica Value Latest Year	23.4	22.7	16.7	10.5	-1.6	42.9	12.9	18.4	21.2	4.8
<i>Latest Year Chile</i>	2003	2003	2003	2005	2003	2003	2003	2003	2003	.
Chile Value Latest Year	18.4	21.2	8.1	2.5	-0.5	23.1	10.0	6.4	60.6	.
LMI-LAC Avg.	16.8	16.2	10.5	5.3	-2.5	27.0	13.6	11.3	20.4	6.6
Low-Middle Income Avg.	18.4	18.8	14.4	5.3	-1.3	25.7	15.7	8.9	30.2	6.5
High Five Avg.	43.7	44.1	134.4	53.7	3.9	52.5	47.7	18.8	71.8	22.1
Low Five Avg.	12.1	8.6	-8.5	0.5	-8.1	6.2	6.0	1.9	2.6	0.3

Honduras Dataset (1)

Fiscal and Monetary Policy (cont'd)											
Indicator Number	Composition of government revenue (Taxes of income, profits and capital gains)	Composition of government revenue (Taxes on goods and services)	Composition of government revenue (Taxes on international trade)	Composition of government revenue (Other taxes)	Composition of government revenue (Social Security Contributions)	Grants and other revenue (% of revenue)	Composition of money supply growth (Net credit to government)	Composition of money supply growth (Credit to the private sector)	Composition of money supply growth (Net credit to non-financial public enterprises)	Composition of money supply growth (Net foreign assets)	Composition of money supply growth (Other items, net)
Indicator Number	21S2a	21S2b	21S2c	21S2d	21S2e	21S2f	21S3a	21S3b	21S3c	21S3d	21S3e
<b>Honduras Data</b>											
<i>Latest Year (T)</i>	2005	2005	2005	2005	2005	2005	2004	2004	2004	2004	2004
Value Year T	22.7	18.8	6.7	0.02	.	51.8	-16.3	52.9	.	71.0	-86.8
Value Year T-1	21.6	20.2	6.9	0.03	.	51.3	18.8	79.0	.	3.1	-85.2
Value Year T-2	19.7	19.6	7.0	0.04	.	53.7	-8.7	35.6	.	76.6	-89.8
Value Year T-3	18.9	20.8	7.5	0.03	.	52.8	24.0	46.2	.	54.6	-107.4
Value Year T-4	19.1	13.2	12.4	0.01	.	55.3	24.8	47.1	.	38.4	-85.8
Average Value, 5 year	20.4	18.5	8.1	0.03	.	53.0	8.5	52.1	.	48.8	-91.0
Growth Trend	5.0	7.0	-12.4	13.0	.	-1.6	.	.	.	.	.
<b>Benchmark Data</b>											
Regression Benchmark	.	.	.	.	.	.	.	.	.	.	.
Lower Bound	.	.	.	.	.	.	.	.	.	.	.
Upper Bound	.	.	.	.	.	.	.	.	.	.	.
<i>Latest Year Costa Rica</i>	2003	2003	2003	2003	2003	2003	.	.	.	.	.
Costa Rica Value Latest Year	14.8	37.8	4.5	2.2	32.3	8.4	.	.	.	.	.
<i>Latest Year Chile</i>	2003	2003	2003	2003	2003	2003	.	.	.	.	.
Chile Value Latest Year	20.7	48.9	3.0	3.9	6.9	16.6	.	.	.	.	.
LMI-LAC Avg.	22.9	40.6	7.8	2.2	6.7	13.4	.	.	.	.	.
Low-Middle Income Avg.	16.7	38.6	7.8	1.8	8.7	15.8	.	.	.	.	.
High Five Avg.	53.7	57.9	34.1	5.4	45.0	65.4	.	.	.	.	.
Low Five Avg.	3.3	5.0	0.5	0.0	0.5	3.2	.	.	.	.	.

(1) For definitions and methodology please see Technical Notes.

Honduras Dataset (1)

Indicator Number	Business Environment										
	Corruption Perception Index (1 for poor to 10 for excellent)	Ease of doing business ranking (1 to 155)	Rule of law index (2.5 for poor to 2.5 for excellent)	Regulatory quality index(-2.5 for poor to 2.5 for excellent)	Cost of starting a business, % GNI per capita	Procedures to enforce a contract	Procedures to register property	Procedures to start a business	Time to enforce a contract	Time to register property	Time to start a business
Indicator Number	22P1	22P2	22P3	22P4	22S1	22S2	22S3	22S4	22S5	22S6	22S7
<b>Honduras Data</b>											
Latest Year (T)	2005	2005	2004	2004	2005	2005	2005	2005	2005	2005	2005
Value Year T	2.6	112.0	-0.61	-0.33	64.1	36.0	7.0	13.0	545	36	62
Value Year T-1	2.3	.	.	.	72.9	36.0	7.0	13.0	545	36	62
Value Year T-2	2.3	.	-0.77	-0.34	.	.	.	.	.	.	.
Value Year T-3	2.7	.	.	.	.	.	.	.	.	.	.
Value Year T-4	2.7	.	-0.89	0.32	.	.	.	.	.	.	.
Average Value, 5 year	2.5	..	.	.	.	.	.	.	.	.	.
Growth Trend	-2.3	.	.	.	.	.	.	.	.	.	.
<b>Benchmark Data</b>											
Regression Benchmark	2.7	.	-0.83	.	.	.	.	.	.	.	.
Lower Bound	2.2	.	-1.11	.	.	.	.	.	.	.	.
Upper Bound	3.2	.	-0.55	.	.	.	.	.	.	.	.
Latest Year Costa Rica	2005	2005	2004	2004	2005	2005	2005	2005	2005	2005	2005
Costa Rica Value Latest Year	4.2	89.0	0.57	0.67	23.8	34.0	6.0	11.0	550	21	77
Latest Year Chile	2005	2005	2004	2004	2005	2005	2005	2005	2005	2005	2005
Chile Value Latest Year	7.3	25.0	1.16	1.62	10.3	28.0	6.0	9.0	305	31	27
LMI-LAC Avg.	3.1	96.2	-0.58	-0.13	48.3	37.0	7.0	12.5	457	48	56
Low-Middle Income Avg.	2.9	85.6	-0.56	-0.34	25.3	30.0	7.0	10.5	409	52	45
High Five Avg.	9.6	153.0	1.98	1.88	777.9	65.2	15.8	17.2	1,166	557	180
Low Five Avg.	1.8	3.0	-1.92	-2.29	0.4	13.4	1.6	2.0	51	2	4

(1) For definitions and methodology please see Technical Notes.

# Honduras Dataset (1)

Financial Sector								
Indicator Number	Domestic credit to private sector, % GDP	Interest rate spread, lending rate minus deposit rate	Money supply (M2), % GDP	Stock market capitalization rate, % GDP	Cost to create collateral	Country credit rating	Legal rights of borrowers and lenders index (0 for poor to 10 for excellent)	Real interest rate
Indicator Number	23P1	23P2	23P3	23P4	23S1	23S2	23S3	23S4
<b>Honduras Data</b>								
Latest Year (T)	2005	2004	2005	.	2004	2005	2005	2004
Value Year T	40.0	7.3	53.8	.	36.6	30.6	5.0	8.1
Value Year T-1	38.7	7.0	52.1	.	.	.	5.0	7.7
Value Year T-2	38.2	8.0	50.1	.	.	.	.	7.7
Value Year T-3	38.8	8.9	49.2	.	.	.	.	9.7
Value Year T-4	41.2	10.9	47.6	.	.	.	.	11.1
Average Value, 5 year	39.4	8.4	50.6	.	.	.	.	8.8
Growth Trend	-0.6	-9.9	3.1	.	.	.	.	-8.2
<b>Benchmark Data</b>								
Regression Benchmark	26.5	11.6	35.8	27.8	.	.	.	.
Lower Bound	11.4	9.0	21.7	4.5	.	.	.	.
Upper Bound	41.6	14.2	49.9	51.0	.	.	.	.
Latest Year Costa Rica	2003	2003	2003	2003	2004	.	2005	2003
Costa Rica Value Latest Year	31.3	15.2	37.6	9.9	16.2	.	4.0	16.5
Latest Year Chile	2003	2003	2005	2003	2004	.	2005	2003
Chile Value Latest Year	63.3	3.5	36.8	119.2	5.3	.	4.0	1.7
LMI-LAC Avg.	23.4	10.4	30.1	22.1	23.7	27.4	3.5	9.1
Low-Middle Income Avg.	24.6	7.1	40.4	18.1	10.0	28.8	5.0	9.2
High Five Avg.	171.0	46.9	188.2	238.9	121.6	51.5	9.6	36.2
Low Five Avg.	1.6	1.0	4.8	1.0	0.0	9.4	0.6	-4.6

(1) For definitions and methodology please see Technical Notes.

Honduras Dataset (1)

External Sector										
Indicator Number	Aid, % GNI	Current account balance, % GDP	Debt service ratio, % exports	Exports growth, goods and services	Foreign direct investment, % GDP	Gross international reserves, months of imports	Private capital inflows, % GDP	Present value of debt, % GNI	Remittance receipts, % exports	Trade, % GDP
Indicator Number	24P1	24P2	24P3	24P4	24P5	24P6	24P7	24P8	24P9	24P10
<i>Honduras Data</i>										
Latest Year (T)	2003	2004	2004	2005	2005	2005	2005	2004	2003	2005
Value Year T	9.1	-5.6	7.8	6.7	2.4	4.9	2.3	37.8	32.4	68.8
Value Year T-1	5.9	-4.6	11.5	13.8	3.9	4.8	3.9	53.9	28.4	70.6
Value Year T-2	7.5	-4.1	12.1	7.4	3.6	3.7	3.5	50.2	22.0	64.1
Value Year T-3	10.9	-5.3	11.3	3.5	2.7	4.7	2.6	54.7	16.5	63.4
Value Year T-4	7.8	-4.4	12.9	-2.7	3.0	4.7	3.0	57.9	14.4	64.8
Average Value, 5 year	8.2	-4.8	11.1	5.7	3.1	4.6	3.0	50.9	22.7	66.3
Growth Trend	-2.9	.	-9.3	.	-1.0	1.0	.	-8.3	24.32	2.3
<i>Benchmark Data</i>										
Regression Benchmark	4.7	-6.5	12.0	8.1	3.3	3.9	.	53.8	.	66.4
Lower Bound	-1.8	-11.3	6.9	1.5	1.4	2.4	.	30.1	.	47.6
Upper Bound	11.2	-1.7	17.2	14.8	5.2	5.4	.	77.6	.	85.2
Latest Year Costa Rica	2003	2003	2003	2003	2003	2003	2003	2003	2003	2003
Costa Rica Value Latest Year	0.2	-5.6	9.7	12.5	3.3	2.3	8.9	36.1	3.8	95.4
Latest Year Chile	2003	2003	2003	2003	2003	2003	2004	2003	.	2003
Chile Value Latest Year	0.1	-0.8	31.3	11.4	4.1	6.8	10.3	67.0	.	68.3
LMI-LAC Avg.	1.0	-1.8	14.0	5.9	2.2	4.0	.	54.0	19.7	52.6
Low-Middle Income Avg.	1.8	-2.3	11.7	5.9	2.1	3.9	.	44.9	8.8	79.0
High Five Avg.	66.1	18.0	61.5	21.6	99.4	18.6	.	380.0	86.5	228.0
Low Five Avg.	-0.3	-27.8	0.9	-19.8	-0.4	0.3	.	9.1	0.0	27.1

(1) For definitions and methodology please see Technical Notes.

Honduras Dataset (1)

External Sector (cont'd)										
Indicator Number	Exports of services, % total exports	Imports of services, % total imports	Actual and expected trade size index (0 for poor and 10 for excellent)	Time to trade (average import and export, days)	Merchandise imports from CAFTA countries, mil. current USD	Merchandise exports to CAFTA countries, mil. current USD	Concentration of exports (top three exports, 3-digit SITC)	Inward FDI potential index (0 for poor to 1 for excellent)	Net barter terms of trade (1995=100)	Real effective exchange rate index (2000=100)
Indicator Number	24P11	24P12	24P13	24P14	24P15	24P16	24S1	24S2	24S3	24S4
<b>Honduras Data</b>										
Latest Year (T)	2003	2003	2003	2005	2003	2003	.	2001-2003	2004	2003
Value Year T	21.7	17.6	5.8	40.0	1,915.0	670.5	.	0.11	89.7	98.3
Value Year T-1	21.2	17.6	5.8	.	1,867.0	1,117.4	.	0.14	79.1	96.1
Value Year T-2	20.1	18.5	6.1	.	1,469.4	886.8	.	0.15	98.0	96.9
Value Year T-3	19.2	18.3	6.5	.	1,656.9	830.5	.	0.15	103.4	100.0
Value Year T-4	21.3	16.7	.	.	1,746.6	963.1	.	0.16	100.0	104.7
Average Value, 5 year	20.7	17.7	6.0	.	1,565.7	1,043.6	.	0.14	94.0	99.2
Growth Trend	1.4	0.7	-3.8	.	10.5	0.9	.	-7.0	-4.7	.
<b>Benchmark Data</b>										
Regression Benchmark	.	.	.	.	.	.	.	0.13	.	.
Lower Bound	.	.	.	.	.	.	.	0.11	.	.
Upper Bound	.	.	.	.	.	.	.	0.15	.	.
Latest Year Costa Rica	2003	2003	2003	2005	2004	2004	.	2001-2003	2002	.
Costa Rica Value Latest Year	24.9	14.0	5.5	39.0	3,942.4	3,590.7	.	0.18	97.0	.
Latest Year Chile	2003	2003	2003	2005	2004	2004	.	2001-2003	2002	.
Chile Value Latest Year	18.6	23.6	6.7	23.5	3,404.7	4,982.7	.	0.23	93.0	.
LMI-LAC Avg.	16.5	21.9	5.1	34.7	.	.	.	0.15	97.0	.
Low-Middle Income Avg.	13.8	17.2	5.8	36.1	.	.	.	0.17	98.5	.
High Five Avg.	83.8	50.4	10.0	120.8	.	.	.	0.50	149.8	.
Low Five Avg.	1.4	5.4	0.1	6.2	.	.	.	0.05	71.8	.

(1) For definitions and methodology please see Technical Notes.

# Honduras Dataset (1)

External Sector (cont'd)						
Indicator Number	Structure of merchandise exports (agricultural raw materials)	Structure of merchandise exports (fuel)	Structure of merchandise exports (manufactured goods)	Structure of merchandise exports (ores and metals)	Structure of merchandise exports (food)	Trade policy index (1 for excellent to 5 for poor)
24S5a	24S5b	24S5c	24S5d	24S5e	24S6	
<b>Honduras Data</b>						
<i>Latest Year (T)</i>	2003	2003	2003	2003	2003	2005
Value Year T	4.2	0.2	27.0	5.8	62.7	3
Value Year T-1	13.6	0.2	32.6	4.2	49.5	3
Value Year T-2	7.9	0.4	18.7	4.4	68.6	3
Value Year T-3	4.9	2.3	19.2	5.8	67.9	3
Value Year T-4	3.3	0.5	27.2	6.3	62.6	3
Average Value, 5 year	6.8	0.7	24.9	5.3	62.2	3
Growth Trend	16.3	-34.9	5.4	-4.8	-3.1	.
<b>Benchmark Data</b>						
Regression Benchmark	5.5	.	.	.	.	.
Lower Bound	-0.9	.	.	.	.	.
Upper Bound	11.9	.	.	.	.	.
<i>Latest Year Costa Rica</i>	2003	2003	2003	2003	2003	2005
Costa Rica Value Latest Year	3.1	0.5	65.6	0.7	30.2	3
<i>Latest Year Chile</i>	2003	2003	2003	2003	2003	2005
Chile Value Latest Year	8.9	2.2	16.4	41.7	28.2	1
LMI-LAC Avg.	4.2	8.2	24.1	3.3	33.8	4
Low-Middle Income Avg.	2.3	5.6	44.4	3.2	14.5	4
High Five Avg.	30.8	92.8	94.2	51.5	91.0	5
Low Five Avg.	0.0	0.0	2.6	0.0	0.5	1

(1) For definitions and methodology please see Technical Notes.

Honduras Dataset (1)

External Sector (cont'd)							
Indicator Number	CAFTA merchandise imports (imports from Costa Rica, mil. current USD)	CAFTA merchandise imports (imports from Dominican Republic, mil. current USD)	CAFTA merchandise imports (imports from El Salvador, mil. current USD)	CAFTA merchandise imports (imports from Guatemala, mil. current USD)	CAFTA merchandise imports (imports from Honduras, mil. current USD)	CAFTA merchandise imports (imports from Nicaragua, mil. current USD)	CAFTA merchandise imports (imports from U.S.A., mil. current USD)
Indicator Number	24S7a	24S7b	24S7c	24S7d	24S7e	24S7f	24S7g
<b>Honduras Data</b>							
Latest Year (T)	2003	2003	2003	2003	2003	2003	2003
Value Year T	142.3	4.3	154.7	244.4	Not Applicable	42.7	1,326.6
Value Year T-1	76.6	2.9	200.4	274.0	Not Applicable	61.4	1,251.7
Value Year T-2	64.4	3.2	152.2	236.9	Not Applicable	49.8	962.9
Value Year T-3	51.9	2.9	189.0	226.3	Not Applicable	35.3	1,151.6
Value Year T-4	55.1	6.3	166.1	213.9	Not Applicable	14.3	1,290.8
Average Value, 5 year	78.0	3.9	172.5	239.1	Not Applicable	40.7	1,196.7
Growth Trend	.	.	.	.	.	.	.
<b>Benchmark Data</b>							
Regression Benchmark	.	.	.	.	.	.	.
Lower Bound	.	.	.	.	.	.	.
Upper Bound	.	.	.	.	.	.	.
Latest Year Costa Rica	2004	2004	2004	2004	2004	2004	2004
Costa Rica Value Latest Year	Not Applicable	12.2	88.4	158.7	36.0	50.8	3,596.3
Latest Year Chile	2004	2004	2004	2004	2004	2004	2004
Chile Value Latest Year	9.0	2.8	3.0	12.3	1.1	0.1	3,376.4
LMI-LAC Avg.	.	.	.	.	.	.	.
Low-Middle Income Avg.	.	.	.	.	.	.	.
High Five Avg.	.	.	.	.	.	.	.
Low Five Avg.	.	.	.	.	.	.	.

(1) For definitions and methodology please see Technical Notes.



# Honduras Dataset (1)

External Sector (cont'd)							
Indicator Number	CAFTA merchandise exports (exports to Costa Rica, mil. current USD)	CAFTA merchandise exports (exports to Dominican Republic, mil. current USD)	CAFTA merchandise exports (exports to El Salvador, mil. current USD)	CAFTA merchandise exports (exports to Guatemala, mil. current USD)	CAFTA merchandise exports (exports to Honduras, mil. current USD)	CAFTA merchandise exports (exports to Nicaragua, mil. current USD)	CAFTA merchandise exports (exports to U.S.A., mil. current USD)
Indicator Number	24S8a	24S8b	24S8c	24S8d	24S8e	24S8f	24S8g
<b>Honduras Data</b>							
<i>Latest Year (T)</i>	2003	2003	2003	2003	2003	2003	2003
Value Year T	26.2	3.1	120.5	75.5	Not Applicable	29.9	415
Value Year T-1	19.4	5.8	296.1	122.6	Not Applicable	28.1	645
Value Year T-2	5.4	4.7	242.6	131.4	Not Applicable	19.2	483
Value Year T-3	8.2	1.3	166.8	86.1	Not Applicable	34.8	533
Value Year T-4	10.0	4.3	184.1	91.7	Not Applicable	13.1	660
Average Value, 5 year	13.9	3.8	202.0	101.5	Not Applicable	25.0	547.5
Growth Trend	.	.	.	.	.	.	.
<b>Benchmark Data</b>							
Regression Benchmark	.	.	.	.	.	.	.
Lower Bound	.	.	.	.	.	.	.
Upper Bound	.	.	.	.	.	.	.
<i>Latest Year Costa Rica</i>	2004	2004	2004	2004	2004	2004	2004
Costa Rica Value Latest Year	Not Applicable	70.6	195.9	272.8	185.6	219.9	2,646
<i>Latest Year Chile</i>	2004	2004	2004	2004	2004	2004	2004
Chile Value Latest Year	97.0	28.6	56.4	165.6	57.2	8.4	4,569
LMI-LAC Avg.	.	.	.	.	.	.	.
Low-Middle Income Avg.	.	.	.	.	.	.	.
High Five Avg.	.	.	.	.	.	.	.
Low Five Avg.	.	.	.	.	.	.	.

# Honduras Dataset (1)

Economic Infrastructure								
Indicator Number	Internet users per 1000 people	Overall infrastructure quality index (1 for poor to 7 for excellent)	Telephone density, fixed line and mobile, per 1000 people	Quality of infrastructure index - air transport (1 for poor to 7 for excellent)	Quality of infrastructure index - ports (1 for poor to 7 for excellent)	Quality of infrastructure index - railroads (1 for poor to 7 for excellent)	Quality of infrastructure index - electricity (1 for poor to 7 for excellent)	Telephone cost, average local call
Indicator Number	25P1	25P2	25P3	25S1a	25S1b	25S1c	25S1d	25S2
<b>Honduras Data</b>								
Latest Year (T)	2004	2004	2004	2004	2004	2004	2004	2002
Value Year T	32	2.5	157	2.9	3.4	1.3	3.0	0.06
Value Year T-1	27	.	104	.	.	.	.	0.07
Value Year T-2	25	.	96	.	.	.	.	0.06
Value Year T-3	14	.	83	.	.	.	.	0.06
Value Year T-4	9	.	71	.	.	.	.	0.06
Average Value, 5 year	21	.	102	.	.	.	.	0.06
Growth Trend	38.7	.	19.3	.	.	.	.	1.8
<b>Benchmark Data</b>								
Regression Benchmark	42	2.2	126	.	.	.	.	.
Lower Bound	3	1.8	73	.	.	.	.	.
Upper Bound	81	2.6	180	.	.	.	.	.
Latest Year Costa Rica	2004	2004	2002	2004	2004	2004	2004	2003
Costa Rica Value Latest Year	235	2.9	362	4.1	2.1	1.2	4.6	0.02
Latest Year Chile	2004	2004	2003	2004	2004	2004	2004	2003
Chile Value Latest Year	279	4.8	732	5.4	4.6	2.2	5.5	0.10
LMI-LAC Avg.	74	2.8	321	3.7	2.6	1.4	4.0	0.06
Low-Middle Income Avg.	53	3.1	273	4.0	3.4	2.2	4.1	0.03
High Five Avg.	759.3	6.7	1,686	6.7	6.6	6.5	6.9	0.41
Low Five Avg.	0.5	1.5	10	2.4	1.3	1.1	1.4	0.00

# Honduras Dataset (1)

Indicator Number	Science and Technology			Health				
	Expenditure for R&D, % GDP	FDI technology transfer index (1 for FDI bringing little new technology to 7 for FDI bringing a lot of it)	Patent applications filed by residents	HIV prevalence	Life expectancy at birth	Maternal mortality rate, per 100,000 live births	Access to improved sanitation	Access to improved water source
Indicator Number	26P1	26P2	26P3	31P1	31P2	31P3	31S1	31S2
<b>Honduras Data</b>								
Latest Year (T)	2003	2004	2002	2003	2005	2000	2002	2002
Value Year T	0.1	4.6	7.0	1.8	68.6	110.0	68.0	90.0
Value Year T-1	0.1	.	7.0	.	68.3	.	.	.
Value Year T-2	0.1	.	.	1.6	67.9	.	.	.
Value Year T-3	0.1	.	8.0	.	67.6	.	.	.
Value Year T-4	.	.	11.0	1.9	67.5	.	.	.
Average Value, 5 year	.	.	.	.	68.0	.	.	.
Growth Trend	.	.	.	.	0.4	.	.	.
<b>Benchmark Data</b>								
Regression Benchmark	.	4.6	.	.	66.9	316.4	.	.
Lower Bound	.	4.2	.	.	63.1	172.2	.	.
Upper Bound	.	5.0	.	.	70.7	460.7	.	.
Latest Year Costa Rica	2000	2004	2002	2003	2003	2000	2002	2002
Costa Rica Value Latest Year	0.4	5.5	0.0	0.6	78.6	43.0	92.0	97.0
Latest Year Chile	2001	2004	2000	2003	2003	2000	2002	2002
Chile Value Latest Year	0.5	5.3	241.0	0.3	76.4	31.0	92.0	95.0
LMI-LAC Avg.	0.1	4.6	13.0	0.7	70.2	150.0	71.0	89.5
Low-Middle Income Avg.	0.3	4.5	13.0	0.1	69.6	115.0	73.0	85.0
High Five Avg.	3.5	5.9	153,540.2	30.2	80.5	1,720.0	100.0	100.0
Low Five Avg.	0.1	3.3	0.0	0.1	37.3	1.8	8.0	26.4

(1) For definitions and methodology please see Technical Notes.

Honduras Dataset (1)

Indicator Number	Health (cont'd)				Education						
	Births attended by skilled health personnel	Child immunization rate	Prevalence of child malnutrition (weight for age)	Public health expenditure, % GDP	Net primary enrollment rate (total)	Net primary enrollment rate (female)	Net primary enrollment rate (male)	Persistence in school to grade 5 (total)	Persistence in school to grade 5 (female)	Persistence in school to grade 5 (male)	Youth literacy rate
Indicator Number	31S3	31S4	31S5	31S6	32P1a	32P1b	32P1c	32P2a	32P2b	32P2c	32P3
<b>Honduras Data</b>											
Latest Year (T)	2001	2004	2003	2005	2004	2004	2004	2004	2003	2003	2004
Value Year T	55.7	90.5	17.0	3.3	90.7	91.7	89.8	79.4	68.8	63.4	88.9
Value Year T-1	.	93.5	.	.	90.0	90.9	89.0	66.0	.	.	.
Value Year T-2	.	96.0	16.6	4.0	.	.	.	.	.	.	.
Value Year T-3	.	95.0	.	3.8	87.7	88.5	86.9	.	.	.	88.9
Value Year T-4	.	96.5	.	3.6	87.6	88.5	86.9	.	.	.	85.1
Average Value, 5 year	.	94.3	.	.	.	.	.	.	.	.	85.2
Growth Trend	.	-1.4	.	2.9	.	.	.	.	.	.	1.4
<b>Benchmark Data</b>											
Regression Benchmark	56.0	.	.	.	87.3	.	.	71.8	.	.	84.4
Lower Bound	45.2	.	.	.	80.7	.	.	64.8	.	.	76.0
Upper Bound	66.8	.	.	.	93.8	.	.	78.7	.	.	92.7
Latest Year Costa Rica	2001	2003	.	2002	2002	2002	2002	2001	2001	2001	2002
Costa Rica Value Latest Year	98.0	88.5	.	6.1	90.4	91.2	89.7	91.6	93.1	90.2	98.4
Latest Year Chile	2001	2003	2002	2002	2002	2002	2002	1999	1999	1999	2002
Chile Value Latest Year	100.0	99.0	0.8	2.6	86.5	86.0	87.0	99.9	99.9	100.0	99.0
LMI-LAC Avg.	80.0	87.3	14.0	3.5	95.1	94.4	94.6	69.4	74.0	67.1	94.5
Low-Middle Income Avg.	69.0	92.5	7.0	3.2	92.4	92.6	92.9	77.8	77.7	79.5	96.8
High Five Avg.	.	99.0	36.3	8.7	100.0	100.0	100.0	99.2	99.8	99.3	99.8
Low Five Avg.	20.8	39.0	7.3	0.6	42.3	36.9	47.6	52.3	51.5	51.8	46.4

(1) For definitions and methodology please see Technical Notes.

Honduras Dataset (1)

Indicator Number	Education (cont'd)					Employment and Workforce			
	Education expenditure, primary, %GDP	Expenditure per student, % GDP per capita, primary	Expenditure per student, % GDP per capita, secondary	Expenditure per student, % GDP per capita, tertiary	Pupil-teacher ratio, primary school	Labor force participation rate (total)	Labor force participation rate (male)	Labor force participation rate (female)	Rigidity of employment index (0 for minimum rigidity to 100 for extreme rigidity)
Indicator Number	32S1	32S2a	32S2b	32S2c	32S3	33P1a	33P1b	33P1c	33P2
<b>Honduras Data</b>									
Latest Year (T)	2005	.	.	.	2004	2003	2003	2003	2005
Value Year T	2.37	.	.	.	34.4	67.1	87.5	46.5	34.0
Value Year T-1	.	.	.	.	30.6	67.5	89.3	45.6	31.0
Value Year T-2	.	.	.	.	.	67.9	91.0	44.7	.
Value Year T-3	.	.	.	.	34.1	68.3	92.7	43.8	.
Value Year T-4	.	.	.	.	34.1	68.2	93.0	43.2	.
Average Value, 5 year	.	.	.	.	.	67.8	90.7	44.7	.
Growth Trend	.	.	.	.	.	-0.5	-1.6	1.9	.
<b>Benchmark Data</b>									
Regression Benchmark	.	.	.	.	.	72.5	.	.	43.6
Lower Bound	.	.	.	.	.	67.3	.	.	32.3
Upper Bound	.	.	.	.	.	77.7	.	.	55.0
Latest Year Costa Rica	.	2002	2002	2002	2002	2003	2003	2003	2005
Costa Rica Value Latest Year	.	16.2	23	50.6	22.6	63.8	86.6	41.3	39.0
Latest Year Chile	.	2002	2002	2002	2002	2003	2003	2003	2005
Chile Value Latest Year	.	15.8	16	17.7	32.9	64.1	83.5	44.8	24.0
LMI-LAC Avg.	2.93	12.7	11	37.2	23.7	69.3	88.7	46.0	44.0
Low-Middle Income Avg.	2.29	11.5	15	35.5	20.8	69.7	85.0	53.8	41.0
High Five Avg.	5.54	31.3	47	344.3	65.5	102.4	112.6	97.0	84.8
Low Five Avg.	0.17	6.2	6	9.8	11.7	50.4	70.9	21.5	2.0

(1) For definitions and methodology please see Technical Notes.

Honduras Dataset (1)

Indicator Number	Employment and Workforce (cont'd)			Agriculture					
	Size of labor force	Labor force growth rate	Unemployment rate	Agriculture value added per worker	Cereal yield	Growth in agricultural value-added	Agricultural policy costs index (1 for poor to 7 for excellent)	Crop production index (1999-01=100)	Livestock production index (1999-01=100)
Indicator Number	33P3a	33P3b	33P4	34P1	34P2	34P3	34S1	34S2	34S3
<b>Honduras Data</b>									
Latest Year (T)	2004	2004	2003	2003	2005	2003	2004	2004	2004
Value Year T	2,998,840	2.5	5	1,209	1,488	9.0	3.0	124.2	100.2
Value Year T-1	2,722,105	2.5	4	1,116	295	4.8	.	119.6	107.1
Value Year T-2	2,634,498	2.6	4	1,073	1,503	-0.5	.	112.8	110.0
Value Year T-3	2,548,501	3.7	.	1,087	1,342	11.7	.	106.3	100.0
Value Year T-4	2,493,655	.	4	979	1,447	-8.5	.	101.8	100.8
Average Value, 5 year	2,679,520	2.8	.	1,093	1,215	3.3	.	112.9	103.6
Growth Trend	4.4	.	.	4.6	-13.6	.	.	5.3	0.6
<b>Benchmark Data</b>									
Regression Benchmark	.	2.7	.	1,239.5	.	0.9	.	.	.
Lower Bound	.	2.3	.	769.5	.	-3.4	.	.	.
Upper Bound	.	3.2	.	1,709.6	.	5.2	.	.	.
Latest Year Costa Rica	2003	2004	2002	2003	2004	2003	2004	2004	2004
Costa Rica Value Latest Year	1,641,238	2.0	6	4,472	3,803	7.4	3.8	91.8	97.1
Latest Year Chile	2003	2004	2002	2003	2004	2003	2004	2004	2004
Chile Value Latest Year	6,619,875	2.1	8	6,341	5,313	3.3	4.6	107.0	107.7
LMI-LAC Avg.	3,762,947	2.5	5	2,102	2,413	2.0	3.4	106.5	102.6
Low-Middle Income Avg.	4,061,858	2.3	9	1,666	2,441	2.8	3.5	106.3	103.4
High Five Avg.	316,912,650	5.7	24	40,135	7,775	22.0	5.3	134.9	145.5
Low Five Avg.	125,147	-0.3	2	108	312	-13.4	2.4	69.5	78.3

(1) For definitions and methodology please see Technical Notes.

# Technical Notes

The following technical notes (updated as of February 13, 2006) identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality where pertinent. For reference purposes, a CAS code is also given for each indicator. These technical notes include information on the additional indicators that are only used for LAC studies. In many cases, the descriptive information is taken directly from the original sources, as cited.

## GROWTH PERFORMANCE

### Per capita GDP, purchasing power parity dollars

*Source:* IMF World Economic Outlook database, updated every 6 months, at:

<http://www.imf.org/external/ns/cs.aspx?id=28>

*Definition:* This indicator adjusts per capita GDP measured in current U.S. dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #11P1*

### Per capita GDP, current US dollars

*Source:* IMF World Economic Outlook database, updated every 6 months, at:

<http://www.imf.org/external/ns/cs.aspx?id=28>

*Definition:* GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers plus any product taxes, less any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #11P2*

### Real GDP growth

*Source:* IMF World Economic Outlook database, updated every 6 months; latest country data from IMF Article IV Review Reports available at:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm)

*Definition:* Annual percentage growth rate of GDP at constant local currency prices.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #11P3*

### Growth of labor productivity

*Source:* World Development Indicators 2005. Estimated by calculating the annual percentage change of the ratio of GDP (constant 1995 US\$) (NY.GDP.MKTP.KD) to the population age 15-64, which in turn is the product of the total population (SP.POP.TOTL) times the percentage of total population that is in this age group (SP.POP.1564.IN.ZS).

*Definition:* Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working age population (ages 15 to 64 years). The more familiar

calculation, based on employment, labor force, or work hours, is not used here because low participation or employment rates are themselves structural productivity problems; also, many low-income countries do not report data needed to compute these alternative measures of labor productivity.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #11S1*

### Investment productivity --incremental capital-output ratio (ICOR)

*Source:* International benchmark data computed from World Development Indicators 2005, based on the five-year average of the share of fixed investment (NE.GDI.FTOT.ZS) and the five-year average GDP growth (NY.GDP.MKTP.KD.ZG). Updated figures for the target country are computed from IMF article IV Consultation Reports.

*Definition:* The ICOR shows the amount of capital investment incurred per extra unit of output. A high value represents low investment productivity. The ICOR is calculated here as the ratio of (a) the investment share of GDP to (b) the growth rate of GDP, using five-year averages for both the numerator and denominator.

*Coverage:* Data are available for about 81 USAID countries.

*CAS Code #11S2*

### Gross fixed investment, percentage of GDP

*Source:* IMF Article IV Consultation Reports for latest country data; international benchmark from the World Development Indicators 2005 series NE.GDI.FTOT.ZS.

*Definition:* Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

*Coverage:* Data are available for about 84 USAID countries.

*CAS Code #11S3*

### Gross fixed private investment, percentage of GDP

*Source:* IMF Article IV Consultation Reports, for latest country data; World Development Indicators 2004, for international comparison data (explanation below). The estimation of this indicator involves taking the difference between gross fixed capital formation (% of GDP) (NE.GDI.FTOT.ZS) and government capital expenditure (% of GDP). The latter term is the product of government capital expenditure (% of total expenditure) (GB.XPK.TOTL.ZS) and total government expenditure (% of GDP) (GB.XPD.TOTL.GD.ZS).

*Definition:* This indicator measures gross fixed capital formation by non-government investors, including spending

for replacement or net addition to fixed assets (buildings, machinery, equipment and similar goods).

*Coverage:* Available from World Development Indicators 2004 for about 38 USAID countries. Starting in 2005, WDI no longer reports government capital expenditure, which is needed to compute this variable. The reason is that the World Bank has adopted a new system for Government Finance Statistics, which switches from reporting budget performance based on cash outlays and receipts, to a modified accrual accounting system in which government capital formation is a balance sheet entry, and only the consumption of fixed capital (that is, a depreciation allowance) is treated as an expense. The template will include this variable when the required data can be obtained from IMF Article IV Consultation Reports or national data sources. Group and regression benchmarks will be computed from WDI 2004 (since group averages tend to be relatively stable).

*Data Quality:* National statistics offices may have different methodologies for breaking down total government expenditure into current and capital components. In particular, the data on "development expenditure" in many countries includes elements of current expenditure.

CAS Code #11S4

## POVERTY AND INEQUALITY

### Human poverty index

*Source:* UNDP, Human Development Report.

<http://hdr.undp.org/statistics/data/indicators.cfm?x=18&y=1&z=1> for 2005 edition; updates may be found at [http://hdr.undp.org/reports/view\\_reports.cfm?type=1](http://hdr.undp.org/reports/view_reports.cfm?type=1)

*Definition:* The index measures deprivation in terms of not meeting target levels for specified economic and quality of life indicators. Values are based on (1) percentage of people not expected to survive to age 40, (2) percentage of adults who are illiterate, and (3) percentage of people who fail to attain a 'decent living standard,' which is subdivided into three (equally weighted) separate items: (a) percentage of people without access to safe water, (b) percentage of people without access to health services, and (c) percentage of underweight children. The HPI ranges in value from 0 (for zero deprivation incidence) to 100 (for high deprivation incidence).

*Coverage:* Data are available for about 60 USAID countries.

CAS Code #12P1

### Income share held by lowest 20%

*Source:* World Development Indicators 2005 series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternate source for target countries: Country Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

*Definition:* Share of total income or consumption accruing to the poorest quintile of the population.

*Coverage:* Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P2

### Percentage of population living on less than \$1 PPP per day

*Source:* World Development Indicators 2005 series SI.POV.DDAY, original data from National Surveys.

Alternate source for target countries: the country's Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

*Definition:* The indicator captures the percentage of the population living on less than \$1.08 a day at 1993 international prices.

*Coverage:* Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

*Data Quality:* Poverty data originate from household survey questionnaires which can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3

### Poverty headcount, national poverty line

*Source:* World Development Indicators 2005 series SI.POV.NAHC. Alternate source: Country Poverty Reduction Strategy Paper (PRSP):

<http://www.imf.org/external/np/prsp/prsp.asp>

*Definition:* The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

*Coverage:* Data available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most target countries, data can be obtained from the PRSP.

*Data Quality:* Measuring the percentage of people below the "national poverty line" has the disadvantage of limiting international comparisons due to differences in the definition of the poverty line. Most lower income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

CAS Code #12P4

### PRSP Status

*Source:* World Bank/IMF. A list of countries with a Poverty Reduction Strategy Paper (PRSP) can be found at <http://www.imf.org/external/np/prsp/prsp.asp>

*Definition:* Yes or no variable showing whether a country has (or not) completed a PRSP (introduced by the WB and IMF to ensure host country ownership of poverty reduction programs).

*Coverage:* All countries having PRSPs are so indicated.

CAS Code #12P5

### Income share held by highest 20%

*Source:* World Development Indicators 2005 series SI.DST.05TH.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternate source for target countries: Country Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

*Definition:* Share of total income or consumption accruing to the richest quintile of the population.

*Coverage:* Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P6



### Ratio of income share held by highest 20% to income share held by lowest 20%

*Source:* World Development Indicators 2005; calculated from series SL.DST.05TH.20 and SL.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternate source for target countries: Country Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

*Definition:* Ratio of the share of total income or consumption accruing to the richest quintile of the population to the share of total income or consumption accruing to the poorest quintile of the population.

*Coverage:* Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P7

### Population below minimum dietary energy consumption

*Source:* UN Millennium Indicators Database at [http://millenniumindicators.un.org/unsd/mi/mi\\_series\\_results.asp?rowId=566](http://millenniumindicators.un.org/unsd/mi/mi_series_results.asp?rowId=566), based on FAO estimates.

*Definition:* Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out a light physical activity.

*Coverage:* Data are available for about 82 USAID countries.

CAS Code # 12S1

### Poverty gap at \$1 PPP a day

*Source:* World Development Indicators 2005 series SL.POV.GAPS, original data from national surveys. Alternate source: the country's Poverty Reduction Strategy Paper: <http://www.imf.org/external/np/prsp/prsp.asp>

*Definition:* The poverty gap is the mean shortfall from the poverty line (counting the non-poor as having zero shortfall), expressed as a percentage of the poverty line. This measure reflects the depth of poverty as well as its incidence.

*Coverage:* Data are available for about 58 USAID countries going back to 1997; data for 2000 or later are available for about 32 USAID countries.

CAS Code #12S2

## ECONOMIC STRUCTURE

### Labor force or employment structure

*Source:* World Development Indicators 2005 series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. Alternate source: CIA World Fact Book. <http://www.cia.gov/cia/publications/factbook/>.

*Definition:* Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

*Coverage:* Data are available for about 37 USAID countries. For most target countries, data can be obtained from PRSP.

*Data Quality:* Employment figures originate from International Labor Organization. Some countries report labor force structure instead of employment, thus the data must be checked carefully prior to making comparisons.

CAS Code #13P1

### Output structure

*Source:* World Development Indicators 2005 series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

*Definition:* The output structure is comprised of value added by major sectors of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. Value added is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

*Coverage:* Data are available for about 86 USAID countries.

*Data Quality:* A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services should be measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

CAS Code #13P2

## DEMOGRAPHY AND ENVIRONMENT

### Adult literacy rate

*Source:* World Development Indicators 2005 series SE.ADT.LITR.ZS, based on UNESCO calculations.

*Definition:* Percentage of people ages 15 and over who can read and write a short-simple statement about their daily life.

*Coverage:* Data are available for about 66 USAID countries.

*Data Quality:* In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data, or by taking people with no schooling as illiterate.

CAS Code # 14P1

### Age dependency rate

*Source:* World Development Indicators 2005 series SP.POP.DPND.

*Definition:* The ratio of dependents (those younger than 15 and older than 64) to the working-age population (those ages 15-64).

*Coverage:* Data are available for about 89 USAID countries.

CAS Code #14P2

### Environmental Sustainability Index

*Source:* Center for International Earth Science Information Network (CIESIN) at Columbia University, and Yale Center for Environmental Law and Policy at Yale University. The 2005 index is at <http://www.yale.edu/esi/ESI2005.pdf>. For updates: <http://www.yale.edu/esi/>.

*Definition:* The index measures the likelihood that a country will be able to preserve valuable environmental resources effectively. It is a composite index integrating 76 data sets tracking natural resource endowments, pollution levels, environmental management efforts, and the capacity of a society to improve its environmental performance. The index values range from a low of 0 (for countries that are positioned poorly to maintain favorable environmental conditions into the future) to a high of 100 (for countries that are positioned very well to maintain favorable environmental conditions into the future); most scores cluster between 40 and 60.

*Coverage:* Data are available for about 83 USAID countries.

*CAS Code #14P3*

### Population size (in millions) and growth

*Source:* World Development Indicators 2005 series SP.POP.TOTL for total population, and series SP.POP.GROW for the population growth rate.

*Definition:* Total population counts all residents regardless of legal status or citizenship--except refugees not permanently settled in the country of asylum. Annual population growth rate is based on the de facto definition of population.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #14P4*

### Urbanization rate

*Source:* World Development Indicators 2005 series SP.URB.TOTL.IN.ZS.

*Definition:* Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

*Coverage:* Data are available for about 86 USAID countries.

*Data Quality:* The estimates are based on national definitions of what constitutes an urban area; since these definitions vary greatly, cross-country comparisons should be made with caution.

*CAS Code #14P5*

## GENDER

### Adult literacy rate, ratio of male to female

*Source:* Computed from UNDP Human Development Indicators: <http://hdr.undp.org/statistics/data/>

*Definition:* The ratio of adult male literacy rate to adult female literacy rate.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code #15P1*

### Gross enrollment rate, all levels of education, ratio of male to female

*Source:* Computed from UNDP Human Development Indicators: <http://hdr.undp.org/statistics/data/>.

*Definition:* The ratio of the gross enrollment rate for males to that of females. The gross enrollment rate is the ratio of students enrolled in primary, secondary, and tertiary levels of

education, regardless of age, to the total school age population for all three levels, assuming normal age of entry into the system and uninterrupted continuation to completion.

*Coverage:* Data are available for about 83 USAID countries.

*CAS Code #15P2*

### Life expectancy, ratio of male to female

*Source:* Estimated from UNDP Human Development Indicators: <http://hdr.undp.org/statistics/data/>.

*Definition:* The ratio of life expectancy at birth (years) for males, divided by the life expectancy at birth (years) for females. Life expectancy at birth indicates the number of years a newborn infant would live if current age-specific mortality were to stay the same throughout its life. The ratio shows the disparity in life expectancies between males and females.

*Coverage:* Data are available for about 85 USAID countries.

*CAS Code #15P3*

## FISCAL AND MONETARY POLICY

In the World Development Indicators for 2005, the World Bank has adopted a new system for government budget statistics, switching from data based on cash outlays and receipts, to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's *Government Financial Statistics Manual, 2001*. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total *expense* is not comparable to the former data on total *expenditure*. In addition, WDI 2005 now provides data on the government's *cash surplus/deficit*; this differs from the previous concept of the *overall budget balance* by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Many countries do not use the new GFS system, so country coverage of fiscal data in WDI 2005 is quite limited. For these reasons, the template will continue to use some data from WDI 2004, along with new data from WDI 2005 data, as appropriate.

### Government expense, percentage of GDP (for countries using GFS 2001 system)

*Source:* Benchmarking data obtained from World Development Indicators 2005 series GC.XPN.TOTL.GD.ZS. Original source of WDI data is the International Monetary Fund, International Financial Statistics Yearbook, World Bank and OECD estimates. Latest country data obtained from national sources or from IMF Article IV Reviews: [www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm);

*Definition:* Expense is an accrued obligation to pay for operating activities of the government in providing goods and services. It includes compensation of employees (such as wages and salaries), interest and subsidies, grants, social benefits, and other expenses such as rent and dividends.<sup>1</sup>

*Coverage:* Data are available for about 42 USAID countries.

*CAS Code #21P1*

<sup>1</sup> In the technical notes to WDI 2005, expense is defined as "cash payments." This is inconsistent with the original source, GFS, which defines expense on an accrual basis as indicated here.

### Government expenditure, percentage of GDP (for countries not using GFS 2001 system)

*Source:* Benchmarking data obtained from World Development Indicators 2004, series GB.XPD.TOTL.GD.ZS.<sup>2</sup> Original source of WDI data is the International Monetary Fund, Government Finance Statistics Yearbook, and World Bank estimates. Latest country data are obtained from national sources or IMF Article IV Reports: [www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm).

*Definition:* Total expenditure of the central government, as a percent of GDP.

*Coverage:* Data are available for about 41 USAID countries.

CAS Code # 21P1

### Government revenue, excluding grants, percentage of GDP

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews: [www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005 series GC.REV.XGRT.GD.ZS. Original source of WDI data is the International Monetary Fund, Government Finance Statistics Yearbook and data file, and World Bank estimates.

*Definition:* Revenue consists of cash receipts from taxes, social contributions, and other revenues such as fines, fees, rent, and income from property or sales. Grants are also a form of revenue but are excluded here to focus on domestic revenue mobilization.

*Coverage:* Data are available for about 47 USAID countries.

CAS Code # 21P2

### Money supply growth

*Source:* Latest country data are from national data sources or from IMF Article IV Reviews: [www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data are from World Development Indicators 2005, series FM.LBL.MQMY.ZG. Original source of WDI data is International Monetary Fund, International Financial Statistics, and World Bank estimates.

*Definition:* Average annual growth rate in the broad money supply, M2 (money plus quasi-money) measured as the change in end-of-year totals relative to the preceding year. M2 comprises the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. M2 corresponds to the sum of lines 34 and 35 in the International Monetary Fund's (IMF) International Financial Statistics (IFS).

*Coverage:* Data are available for about 81 USAID countries.

CAS Code #21P3

### Inflation rate

*Source:* IMF World Economic Outlook database, updated every 6 months, at:

<http://www.imf.org/external/ns/cs.aspx?id=28>

*Definition:* Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specified intervals.

*Coverage:* Data are available for about 85 USAID countries.

*Data Quality:* For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

CAS Code #21P4

### Overall budget balance (including grants), or Cash surplus/deficit, as percentages of GDP

*Source:* For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on the government's cash surplus/deficit are obtained from World Development Indicators 2005 series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. Latest country data is obtained from national data sources or from IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm).

*Definition:* The cash surplus/deficit is revenue (including grants) minus expenses, minus net acquisition of non-financial assets. This is close to the previous concept *overall budget balance*, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the new GFS system, the template will continue to focus on the *overall budget balance*, using data from the alternative sources indicated above. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement, which must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

*Coverage:* Data are available in WDI 2005 for 41 USAID countries.

CAS Code # 21P5

### Composition of government expenditure (for countries not using GFS 2001 system)

*Source:* Benchmarking data are from World Development Indicators 2004. Country data constructed from national data sources or from IMF Article IV Consultative Reports: [www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm).

*Definition:* Central government expenditure, broken down using categories from WDI 2004: (1) subsidies and other current transfers, (2) wages and salaries, (3) interest payments, (4) goods and services expenditure, and (5) capital expenditure, all as a percent of total expenditure.

*Coverage:* Data are available for about 37 USAID countries from World Development Indicators 2004. As explained at the beginning of this section, WDI no longer reports government expenditures starting in 2005. The template will include this variable when the required data can be obtained from IMF Article IV Consultation Reports or national data sources for the target country and the comparison countries. Group. The group benchmarks will still be computed from WDI 2004 (since group averages tend to be relatively stable).

*Data Quality:* Many countries report their revenue in non-comparable categories. Budget data are compiled on a fiscal year basis. If the fiscal year differs from the calendar year, then ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S1

### Composition of government expenses (for countries using GFS 2001 system)

<sup>2</sup> This variable is no longer available in WDI 2005.

*Source:* Group benchmarking data are from the World Development Indicators 2005. Latest country data are constructed from national sources or from IMF Article IV Reports: [www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm).

*Definition:* WDI 2005 disaggregates central government expenses into five categories: compensation of employees, goods and services, interest payments, subsidies and other transfers, and other expenses. The expense in each category is expressed as a percentage of total expenses.

*Coverage:* Data are available for about 42 USAID countries from the World Development Indicators 2005.

CAS Code # 21S1

### Composition of government revenue

*Source:* The latest country and comparison country data is taken from national data sources or from IMF Article IV Reviews: [www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm).

Benchmarking data are taken directly from WDI 2005 database: (1) taxes on goods and services (% of revenue), series GC.TAX.GSRV.RV.ZS; (2) taxes on income, profits and capital gains (% of revenue), series GC.TAX.YPKG.RV.ZS; (3) taxes on international trade (% of revenue), series GC.TAX.INTT.RV.ZS; (4) other taxes (% of revenue), series GC.TAX.OTHR.RV.ZS; (5) social contributions (% of revenue), series GC.REV.SOCL.ZS; and (6) grants and other revenue (% of revenue), series GC.REV.GOTR.ZS.

*Definition:* Breakdown of central government revenue sources by categories outlined above. Each source of revenue is expressed as a percentage of total revenue.

*Coverage:* Data are available from WDI 2005 for about 46 USAID countries.

*Data Quality:* Many countries report their revenue in non-comparable categories. If the fiscal year differs from the calendar year, then the ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S2

### Composition of money supply growth

*Source:* Constructed using or national data sources or IMF Article IV Reviews from:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm).

*Definition:* Identifies the sources of the year to year change in the broad money supply (M2), disaggregated into five categories: (1) net credit to government, (2) credit to the private sector, (3) net credit to public enterprises, (4) net foreign assets (reserves), and (5) other items net. Each component is expressed as a percentage of the annual change (December to December) in M2.

*Coverage:* Data are available for about 86 USAID countries.

CAS Code # 21S3

## BUSINESS ENVIRONMENT

### Corruption perception index

*Source:* Transparency International:

[http://www1.transparency.org/cpi/2005/dnld/media\\_pack\\_en.pdf](http://www1.transparency.org/cpi/2005/dnld/media_pack_en.pdf).

*Definition:* Corruption Perceptions Index (CPI) is a composite index that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. The index ranges from 1 (for most corruption) to 10 (for least corruption). Values below 3.0 are

considered to indicate rampant corruption. This threshold is used in the template as an absolute benchmark standard.

*Coverage:* Data are available for about 79 USAID countries.

*Data Quality:* This indicator uses perception and opinions gathered from local businessmen as well as third-party experts and not hard empirical data; thus, the indicator is largely subjective. Also standard errors are large. For both reasons, international comparisons are problematic, though widely used.

CAS Code # 22P1

### Ease of doing business ranking

*Source:* World Bank, Doing Business Indicators <http://rru.worldbank.org/DoingBusiness/>

*Definition:* The ease of doing business index ranks economies from 1 to 155. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business in 2006 – starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code # 22P2

### Rule of law index

*Source:* World Bank Institute,

<http://www.worldbank.org/wbi/governance/govdata2002/index.html>. This indicator is based on the perceptions of the legal system, drawn from 12 separate data sources.

*Definition:* The Rule of Law Index is an aggregation of various indicators which measure the extent to which agents have confidence in and abide by the rules of society. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

*Coverage:* Data are available for nearly all USAID countries.

*Data Quality:* This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P3

### Regulatory Quality Index

*Source:* World Bank Institute;

<http://www.worldbank.org/wbi/governance/govdata2002/index.html>.

*Definition:* The regulatory quality index measures the incidence of market-unfriendly policies such as price controls or inadequate bank supervision, as well as perceptions of the burdens imposed by excessive regulation in areas such as foreign trade and business development. It is computed from survey data from multiple sources. The index values range from -2.5 (for very poor performance) to +2.5 (for excellent performance).

This is also an MCC indicator, under the criterion of encouraging economic freedom. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

*Gaps:* Data are available for nearly all USAID countries.



*Data Quality:* This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P4

### **Cost to start a business, % of GNI per capita**

*Source:* World Bank, Doing Business; Starting a Business category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx>

*Definition:* Legally required cost to starting a simple limited liability company, expressed as percentage of GNI per capita.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code #22S1

### **Procedures to enforce a contract**

*Source:* World Bank, Doing Business; Enforcing Contracts category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx>

*Definition:* Number of procedures required to enforce recovery of a valid debt contract through the court system. Where a procedure is defined as any interactive step the company must undertake with the government agencies, lawyers, notaries, etc. to proceed with the enforcement action.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code # 22S2

### **Procedures to register property**

*Source:* World Bank, Doing Business; Registering Property category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx>

*Definition:* Number of procedures required to register the transfer of title for business property. A procedure is defined as any step involving interaction between a company/individual and a third party that is necessary to complete the property registration process.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code #22S3

### **Procedures to start a business**

*Source:* World Bank, Doing Business; Starting a Business category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx>

*Definition:* Number of procedural steps required to legalize a simple limited liability company. Procedures are interactions of a company with the government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and to complete all inscriptions, verifications, and notifications to start operations.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code # 22S4

### **Time to enforce a contract**

*Source:* World Bank, Doing Business; Enforcing Contracts category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx>

*Definition:* Minimum number of days required to enforce a contract through the court system.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code # 22S5

### **Time to register property**

*Source:* World Bank, Doing Business; Registering Property category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx>

*Definition:* The time required to accomplish the full sequence of procedures to transfer the property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code #22S6

### **Time to start a business**

*Source:* World Bank, Doing Business; Starting a Business category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx>

*Definition:* Calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code #22S7

## **FINANCIAL SECTOR**

### **Domestic credit to private sector, percent of GDP**

*Source:* IMF Article IV Reviews or national data sources for latest country data; World Development Indicators 2005 series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate from the International Monetary Fund, International Financial Statistics and data files, and World Bank estimates.

*Definition:* Domestic credit to private sector refers to financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

*Coverage:* Data are available for about 82 USAID countries.

CAS Code # 23P1

### **Interest rate spread**

*Source:* World Development Indicators 2005 series FR.INR.LNDP. Original data from International Monetary Fund, International Financial Statistics and data files.

*Definition:* The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

*Coverage:* Data are available for about 66 USAID countries.  
*CAS Code # 23P2*

### Money supply, percent of GDP

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005 series FM.LBL.MQMY.GD.ZS. WDI data originate from International Monetary Fund, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

*Definition:* Money supply (M2), also called broad money, and is defined as non-bank private sector's holdings of notes, coins and demand deposits plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

*Coverage:* Data are available for about 81 USAID countries.

*Data Quality:* In some countries M2 includes Certificates of Deposits (CDs), money market instruments, and/or treasury bills.

*CAS Code # 23P3*

### Stock Market Capitalization Rate, % of GDP

*Source:* World Development Indicators 2005, series CM.MKT.LCAP.GD.ZS.

*Definition:* The variable is defined as the market capitalization, also known as market value (the share price times the number of shares outstanding), of all the domestic shares listed on the country's stock exchange as a percentage of GDP.

*Coverage:* Data are available for about 54 USAID countries.

*CAS Code # 23P4*

### Cost to Create Collateral

*Source:* World Bank Doing Business; Getting Credit category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx>

*Definition:* The indicator assesses the cost of creating and registering collateral as a percentage of income per capita.

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Countries without a collateral registry usually have lower costs, although the secured creditor is disadvantaged elsewhere because they are unable to notify other creditors of their right to the collateral through a registry.

*CAS Code #23S1*

### Country credit rating

*Source:* Millennium Challenge Corporation. Original data comes from the Institutional Investor Magazine. <http://www.mca.gov/countries/rankings/index.shtml>.

*Definition:* Bankers' and fund managers' perception of the country's risk of default based on a semi-annual survey. Index ranges in value from 0 (for very poor performance) to 100 (for excellent performance).

*Coverage:* Data are available for about 58 USAID countries.

*Data Quality:* The indicator is subjective, as it is based on an opinion poll.

*CAS Code # 23S2*

### Legal rights of borrowers and lenders

*Source:* World Bank Doing Business; Getting Credit category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx>. The index is based on data collected through research of collateral and insolvency laws supported by survey data on secured transactions laws.

*Definition:* The index measures the degree to which collateral and bankruptcy laws facilitate lending. Index ranges in value from 0 (for very poor performance) to 10 (for excellent performance). It includes three aspects related to legal rights in bankruptcy, and seven aspects found in collateral law.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 23S3*

### Real interest rate

*Source:* World Development Indicators 2005 series FR.INR.RINR.

*Definition:* Real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

*Coverage:* Data are available for about 68 USAID countries.

*CAS Code # 23S4*

## EXTERNAL SECTOR

### Aid, % of GNI

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005 series DT.ODA.ALLD.GN.ZS.

*Definition:* The indicator measures Official Development Assistance from OECD countries and official aid from non-OECD countries, as a percentage of the recipient's gross national income.

*Coverage:* Data are available for about 84 USAID countries.

*Data Quality:* Data does not include aid given by recipient countries to other recipient countries, and may not be consistent with the country's balance sheets, because data are collected from donors.

*CAS Code #24P1*

### Current Account Balance, percent of GDP

*Source:* Latest country data from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005 series BN.CAB.XOKA.GD.ZS, based on International Monetary Fund, Balance of Payments Statistics Yearbook and data files, and World Bank staff estimates, and World Bank and OECD GDP estimates.

*Definition:* Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's gross domestic product.

*Coverage:* Data are available for about 79 USAID countries.

*CAS Code # 24P2*

### Debt service ratio

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005, series DT.TDS.DECT.EX.ZS, based on World Bank, Global Development Finance data.

*Definition:* Total debt service is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt and repayments (repurchases and charges) to the IMF. Debt is considered as a percent of exports of goods and services, which includes income and workers' remittances.

*Coverage:* Data are available for about 77 USAID countries.

*Data Quality:* See data quality comments to the Present value of debt, percent of GNI regarding quality of debt data reported.

CAS Code # 24P3

### Exports growth, goods and services

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

*Definitions:* Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

*Coverage:* Data are available for about 81 USAID countries.

CAS Code # 24P4

### Foreign Direct Investment, percent of GDP

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005, series BX.KLT.DINV.DT.GD.ZS, based on International Monetary Fund, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

*Definition:* Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

*Coverage:* Data are available for about 82 USAID countries.

CAS Code #24P5

### Gross international reserves, months of imports

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005, series FI.RES.TOTL.MO.

*Definition:* Gross international reserves comprise holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the International Monetary Fund (IMF), and holdings of foreign exchange under the control of

monetary authorities expressed in terms of the number of months of imports of goods and services.

*Coverage:* Data are available for about 77 USAID countries.

CAS Code # 24P6

### Private capital inflows, percent of GDP

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data derived from the International Financial Statistics (sum of lines 78BED and 78BGD, divided by GDP).

*Definition:* Net private capital inflows are the sum of the of direct and portfolio investment inflows recorded in the balance of payments financial account. The indicator is calculated as a ratio to GDP in U.S. dollars.

*Coverage:* Information on coverage is not easily accessible.

*Data Quality:* Capital flows are converted to U.S. dollars at the International Monetary Fund's average official exchange rate for the year shown.

CAS Code #24P7

### Present value of debt, percent of GNI

*Source:* World Development Indicators 2005 series DT.DOD.PVLX.GN.ZS, based on Global Development Finance data.

*Definition:* Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private non-guaranteed long-term external debt over the life of existing loans. Indicator measures the value of debt relative to the GNI.

*Coverage:* Data are available for about 80 USAID countries.

*Data Quality:* The coverage, and quality of debt data vary widely across countries due to the wide spectrum of debt instruments, the unwillingness on the part of the government to provide information, and lack of capacity in reporting. Discrepancies are significant when the exchange rate fluctuations, debt cancellations and re-scheduling occur.

CAS Code # 24P8

### Remittances receipts, percent of exports

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data is obtained from World Development Indicators 2005; it is constructed by dividing Worker's Remittances (receipts), series BX.TRF.PWKR.CD, by Exports of Goods and Services, series BX.GSR.GNFS.CD.

*Definition:* Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

*Coverage:* Data are available for about 74 USAID countries.

CAS Code # 24P9

### Trade in goods and services, as a percentage of GDP

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data from World Development Indicators 2005, series NE.TRD.GNFS.ZS.

*Definition:* The sum of exports and imports of goods and services divided by the value of GDP, all expressed in current U.S. dollars.

*Coverage:* Data available for about 84 USAID countries.

*CAS Code # 24P10*

### **Exports of services, as a percent of total exports**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data is obtained from World Development Indicators 2005; it is constructed by dividing Exports of Services, series BX.GSR.NFSV.CD, by Exports of Goods and Services, series BX.GSR.GNFS.CD.

*Definition:* Services (previously classified by the IMF as nonfactor services) refer to economic output of intangible commodities that may be produced, transferred, and consumed at the same time. The indicator is the ratio of exports of services to exports of goods and services. Original data are in current U.S. dollars.

*Coverage:* Data are available for about 71 USAID countries.

*CAS Code # 24P11*

### **Imports of services, as a percent of total imports**

*Source:* Latest country data obtained from national data sources or IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). Benchmarking data is obtained from World Development Indicators 2005; it is constructed by dividing Imports of Services, series BM.GSR.NFSV.CD, by Imports of Goods and Services, series BM.GSR.GNFS.CD.

*Definition:* Services (previously classified by the IMF as nonfactor services) refer to economic output of intangible commodities that may be produced, transferred, and consumed at the same time. The indicator is the ratio of imports of services to imports of goods and services. Original data are in current U.S. dollars.

*Coverage:* Data are available for about 69 USAID countries.

*CAS Code # 24P12*

### **Index of deviation of a country's trade sector from its expected size**

*Source:* The Fraser Institute. Indicator is available online at <http://freetheworld.com/download.html>; see component 4-C.

*Definition:* In order to estimate the degree to which an economy's actual trade share (in percent of GDP) deviates from its expected trade share, an economic model is run with the following independent variables: working age population, geographic size, extent of coastline, absence of coastline, a linear trend, and a measure of proximity to World's consumer demand. Once the regression estimate is available, the index ranking trade share on the scale of 0 to 10 is created by as follows: (1) 0 is assigned if a country's trade share is 50 percent or more below the regression estimate; (2) 10 is assigned if a country's trade share is 100 percent or more above the regression estimate; and (3) for the remainder of countries, the index is calculated based on a set formula that assigns an index value between 10 and 0, with higher number indicating that the trade sector is outperforming the expectations substantially, and lower number meaning that the trade sector is performing below the expectations.

*Coverage:* Data are available for about 60 USAID countries.

*Data Quality:* The Fraser Institute does not report the regression estimates for the expected trader share, nor the standard errors. Consequently, it is impossible to judge whether the expected trade share is statistically different from

the actual trade share for a given country. Furthermore, the regression model used by the Fraser Institute does not control for petroleum exports.

*CAS Code # 24P13*

### **Time to trade, days**

*Source:* World Bank, Doing Business; Trading Across Borders category:

<http://www.doingbusiness.org/ExploreTopics/TradingAcrossBorders/>; constructed as an average of time to import (days) and time to export (days).

*Definition:* An average of days needed for exporting and importing a standardized cargo of goods. Time is calculated from the moment a procedure is initiated until it is completed. It is assumed that neither the importer nor the exporter wastes time and that each commits to completing each remaining procedure without delay.

*Coverage:* Data are available for about 74 USAID countries.

*CAS Code # 24P14*

### **Merchandise imports from CAFTA member countries, millions of current US Dollars**

*Source:* ITC COMTRADE (SITC Rev.3), <http://unstats.un.org/unsd/comtrade/>, import data, all commodities.

*Definition:* Combined total of country's merchandise imports from all of the CAFTA member countries (United States, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua), SITC (Rev. 3), in millions of current US Dollars.

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Smuggling represents a serious problem in a number of countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other non-reporting countries; trans-shipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

*CAS Code # 24P15*

### **Merchandise exports to CAFTA member countries, millions of current US Dollars**

*Source:* ITC COMTRADE (SITC Rev.3), <http://unstats.un.org/unsd/comtrade/>, export data, all commodities.

*Definition:* Combined total of country's merchandise exports to all of the CAFTA member countries (United States, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua), SITC (Rev. 3), in millions of current US Dollars.

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Smuggling represents a serious problem in a number of countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other non-reporting countries; trans-shipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

*CAS Code # 24P16*



### Concentration of exports

*Source:* Constructed with ITC COMTRADE data by aggregating the value for the top 3 export product groups (SITC Rev.3), and dividing by total exports. Raw data: <http://www.intracen.org/tradstat/sitc3-3d/indexre.htm>.

*Definition:* The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit-level.

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Smuggling represents a serious problem in a number of countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other non-reporting countries; trans-shipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

CAS Code # 24S1

### Inward FDI Potential Index

*Source:* UNCTAD. Indicator is available online at <http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2471&lang=1>.

*Definition:* Inward FDI Potential Index measures an economy's attractiveness to foreign investors, capturing factors (apart from market size) that are expected to have an impact. The Index ranges in value from 0 (for very poor performance) to 1 (for excellent performance). It is an un-weighted average of the scores of 12 normalized economic and social variables.

*Coverage:* Data are available for about 77 USAID countries.

CAS Code # 24S2

### Net barter terms of trade

*Source:* World Development Indicators 2005, series TT.PRI.MRCH.XD.WD

*Definition:* Net barter terms of trade are calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 1995.

*Coverage:* Data are available for about 51 USAID countries.

CAS Code # 24S3

### Real effective exchange rate (REER)

*Source:* IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm)

*Definition:* The REER is an index number with base 1995=100, which measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency, and a decrease represents a real depreciation.

*Coverage:* Information on coverage is not easily accessible.

*Data Quality:* Changes in real effective exchange rates should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988-90, and an index of relative changes in consumer prices is used as the deflator.

CAS Code # 24S4

### Structure of merchandise exports

*Source:* World Development Indicators 2005. Exports from five categories are used: Food exports series TX.VAL.FOOD.ZS.UN; Agricultural raw materials exports series TX.VAL.AGRI.ZS.UN; Manufactures exports series TX.VAL.MANF.ZS.UN; Ores and metals exports series TX.VAL.MMTL.ZS.UN; and Fuel exports series TX.VAL.FUEL.ZS.UN.

*Definition:* This indicator reflects the composition of merchandise exports by major commodity groups – food, agricultural raw materials, fuels, ores and metals, and manufactures.

*Coverage:* Data are available for about 78 USAID countries.

*Data Quality:* The classification of commodity groups follows the Standard International Trade Classification (SITC) revision 1, but most countries report using later revisions of the SITC. Tables are used to convert data reported in one system to another and this may introduce errors of classification. Shares may not sum to 100 percent because of unclassified trade.

CAS Code # 24S5

### Trade Policy Index

*Source:* Index of Economic Freedom, Heritage Foundation. The Trade Policy Score (Index) is one of the components of the Index of Economic Freedom. The indices can be found at <http://www.heritage.org/research/features/index/downloads.cfm>.

*Definition:* The index measures the degree to which government hinders the free flow of foreign commerce based on a country's weighted average tariff rate (weighted by imports from the country's trading partners), with adjustments for non-tariff barriers and corruption in the custom service. The index ranges in value from 1 (for low levels of barriers to trade) to 5 (for high levels of barriers to trade).

*Coverage:* Data are available for about 83 USAID countries.

*Data Quality:* The index is subjective and at times inconsistent in its treatment of tariffs.

CAS Code # 24S6

### Composition of merchandise imports from CAFTA member countries, by destination country, millions of current US Dollars

*Source:* ITC COMTRADE (SITC Rev.3), <http://unstats.un.org/unsd/comtrade/>, import data, all commodities.

*Definition:* Country's merchandise imports from each of the CAFTA member country (United States, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua), SITC (Rev. 3), in millions of current US Dollars.

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Smuggling represents a serious problem in a number of countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other non-reporting countries; trans-shipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

CAS Code # 24S7

### **Composition of merchandise exports to CAFTA member countries, by country of origin, millions of current US Dollars**

*Source:* ITC COMTRADE (SITC Rev.3), <http://unstats.un.org/unsd/comtrade/>, export data, all commodities.

*Definition:* Country's merchandise exports to each of the CAFTA member country (United States, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua), SITC (Rev. 3), in millions of current US Dollars.

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Smuggling represents a serious problem in a number of countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other non-reporting countries; trans-shipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

*CAS Code # 24S8*

## **ECONOMIC INFRASTRUCTURE**

### **Internet users per 1,000 people**

*Source:* World Development Indicators 2005 series IT.NET.USER.P3, derived from the International Telecommunication Union database.

*Definition:* Indicator quantifies the number of internet users, defined as those with access to the world-wide network, per 1,000 people.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code # 25P1*

### **Overall Infrastructure Quality**

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section V. General Infrastructure; 5.01.

*Definition:* The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is (1) poorly developed, or (7) among the best in the world.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executives' perceptions.

*CAS Code # 25P2*

### **Telephone density, fixed line and mobile**

*Source:* World Development Indicators 2005 series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database.

*Definition:* The indicator is the sum of subscribers to telephone mainlines and mobile phones per 1,000 people. Fixed lines represent telephone mainlines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular based technology with access to the public switched telephone network.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #25P3*

### **Quality of infrastructure - railroads, ports, air transport and electricity**

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicators can be found in the Data Tables, Section V. General Infrastructure; 5.02, 5.03, 5.04, and 5.05 for Railroad, Port; Air Transport, and Electricity, respectively.

*Definitions:* The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are (1) poorly developed, or (7) among the best in the world.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executive perceptions.

*CAS Code #25S1*

### **Telephone cost, average local call**

*Source:* World Development Indicators 2005 series IT.MLT.CLCL.CD, derived from the International Telecommunication Union database.

*Definition:* Cost of local call is measured by the cost of a three-minute, peak rate, fixed line call within the same exchange area using the subscriber's equipment (i.e., not from a public phone).

*Coverage:* Data are available for about 82 USAID countries.

*CAS Code #25S2*

## **SCIENCE AND TECHNOLOGY**

### **Expenditure in Research and Development, percent of GDP**

*Source:* World Development Indicators 2005, series GB.XPD.RSDV.GD.ZS, based on data from the UNESCO Institute of Statistics.

*Definition:* Expenditures for research and development are current and capital expenditures (both public and private) on creative, systematic activity that increases the stock of knowledge. Included are fundamental and applied research and experimental development work leading to new devices, products, or processes.

*Coverage:* Data are available for about 26 USAID countries.

*CAS Code #26P1*

### **FDI technology transfer index**

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section III. Technology: Innovation and Diffusion; 3.04.

*Definition:* The index measures executives' perceptions of FDI as a source of new technology for the country. Executives grade, on a scale from 1 to 7, whether foreign direct investment in their country (1) brings little new technology, or (7) is an important source of new technology.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executive perceptions.

*CAS Code # 26P2*

### **Patent applications filed, by residents**

*Source:* World Development Indicators 2005 series IP.PAT.RESD, based on WIPO data.

*Definition:* The indicator is the number of applications filed by host-country residents with the national patent office for exclusive rights for an invention – a product or process that provides a new way of doing something or offers a new technical solution to a problem.

*Coverage:* Data are available for about 63 USAID countries.

*CAS Code #26P3*

## HEALTH

### HIV prevalence rate

*Source:* UNAIDS for most recent country data:

<http://www.unaids.org/Unaids/EN/Resources/epidemiology.asp>. World Development Indicators 2005 for benchmark data, series SH.DYN.AIDS.ZS.

*Definition:* Percentage of people ages 15-49 who are infected with HIV.

*Coverage:* Data are available for about 79 USAID countries.

*Data Quality:* UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by Kenya, Mali, Zambia and Zimbabwe, as well as other surveillance information.

*CAS Code #31P1*

### Life expectancy at birth

*Source:* World Development Indicators 2005, (SP.DYN.LE00.IN)

*Definition:* Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life.

*Coverage:* Data are available for about 88 USAID countries.

*Data Quality:* Life expectancy at birth is estimated based on vital registration or the most recent census/survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

*CAS Code #31P2*

### Maternal mortality rate

*Source:* UN Millennium Indicators Database, [http://millenniumindicators.un.org/unsd/mi/mi\\_series\\_results.asp?rowId=553](http://millenniumindicators.un.org/unsd/mi/mi_series_results.asp?rowId=553) based on WHO, UNICEF and UNFPA data.

*Definition:* The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

*Coverage:* Data are available for about 87 USAID countries.

*Data Quality:* Household surveys attempt to measure maternal mortality by asking respondents about survivorships of sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

*CAS Code #31P3*

### Access to improved sanitation

*Source:* World Development Indicators 2005, series SH.STA.ACSN.

*Definition:* The indicator is the percentage of population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

*Coverage:* Data are available for about 82 USAID countries.

*Data Quality:* The coverage rates are based on service users on the facilities their households use, rather than on information service providers who may include nonfunctioning systems—therefore somewhat reliable.

*CAS Code #31S1*

### Access to improved water source

*Source:* World Development Indicators 2005 series SH.H2O.SAFE.ZS

*Definition:* The indicator is percentage of population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rain water collection.

*Coverage:* Data are available for about 83 USAID countries.

*Data Quality:* Access to drinking water from an improved source does not ensure that the water is adequate or safe.

*CAS Code #31S2*

### Births attended by skilled health personnel

*Source:* World Development Indicators 2005, series SH.STA.BRTC.ZS.

*Definition:* The indicator is percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, to conduct interviews on their own, and to care for newborns.

*Coverage:* Data are available for about 62 USAID countries.

*Data Quality:* Data may not reflect improvements in maternal health, maternal deaths are underreported and rates of maternal mortality are difficult to measure.

*CAS Code #31S3*

### Child immunization rate

*Source:* World Development Indicators 2005, estimated by averaging two series: Immunization, DPT (% of children ages 12-23 months) (SH.IMM.IDPT) and Immunization, measles (% of children ages 12-23 months) (SH.IMM.MEAS)

*Definition:* Percentage of children under one year receiving vaccination coverage for four diseases-measles and diphtheria, pertussis (whooping cough), and tetanus (DDPT).

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #31S4*

### Prevalence of child malnutrition, weight for age

*Source:* World Development Indicators 2005, series SH.STA.MALN.ZS.

*Definition:* The indicator is based on percentage of children under five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0-59 months.

*Coverage:* Data are available for about 55 USAID countries.

*CAS Code #31S5*

### Public health expenditure, percent of GDP

*Source:* Latest data for host country is obtained from the MCC <http://www.mca.gov/countries/rankings/index.shtml>.

International benchmarking data from World Development Indicators 2005, (SH.XPD.PUBL.ZS), based on World Health Organization, World Health Report and updates and from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

*Definition:* Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

*Coverage:* Data are available for about 88 USAID countries.

CAS Code #31S6

## EDUCATION

### Net primary enrollment rate - female, male and total

*Source:* UNESCO Institute for Statistics,  
<http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx>

*Definition:* The indicator measures the proportion of the population of the official age for primary, secondary or tertiary education according to national regulations who are enrolled in primary schools. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

*Coverage:* Data are available for about 80 USAID countries.

*Data Quality:* Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year, and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments as often teachers are paid proportional to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

CAS Code # 32P1

### Persistence to grade 5 – female, male, and total

*Source:* World Development Indicators 2005 series SE.PRM.PRS5.FE.ZS (female); SE.PRM.PRS5.MA.ZS (male); and SE.PRM.PRS5.ZS (total).

*Definition:* The indicator is an estimate of the proportion of the population entering primary school who reach grade 5, for female, male, and total students.

*Coverage:* Data are available for about 48 USAID countries.

CAS Code # 32P2

### Youth literacy rate

*Source:* World Development Indicators 2005, series SE.ADT.1524.LT.ZS.

*Definition:* The indicator is an estimate of the percent of people ages 15-24 who can, with understanding, read and write a short, simple statement on their everyday life.

*Coverage:* Data are available for about 67 USAID countries.

*Data Quality:* Statistics are out of date by 2-3 years.

CAS Code #32P3

### Expenditure on primary education, percent GDP

*Source:* Millennium Challenge Corporation  
<http://www.mca.gov/countries/rankings/index.shtml>

*Definition:* The indicator is the total expenditures on education by all levels of government, as a percent of GDP.

*Coverage:* Data are available for about 58 USAID countries.

*Data Quality:* The MCC obtains the data from national sources via US embassies.

CAS Code #32S1

### Educational expenditure per student, percentage GDP per capita – Primary, Secondary and Tertiary

*Source:* World Development Indicators 2005 series SE.XPD.PRIM.PC.ZS (primary); SE.XPD.SECO.PC.ZS (secondary); and SE.XPD.TERT.PC.ZS (tertiary).

*Definition:* Public expenditure per student (primary, secondary or tertiary) is defined as the public current expenditure on education divided by the total number of students, by level, as a percentage of GDP per capita.

*Coverage:* Data are available for about 50, 47, and 45 USAID countries (for primary, secondary, and tertiary expenditure, respectively).

*Data Quality:* Education statistics should be interpreted with caution because the data are out of date by 2 or 3 years; also, the statistics reflects solely public spending, generally excluding spending by religious schools, which play a significant role in many developing countries. Data for some countries and for some years refer to spending by the ministry of education only.

CAS Code # 32S2

### Pupil-teacher ratio, primary school

*Source:* World Development Indicators 2005 series SE.PRM.ENRL.TC.ZS.

*Definition:* Primary school pupil-teacher ratio is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

*Coverage:* Data are available for about 76 USAID countries.

*Data Quality:* The indicator does not take into account differences in teachers' academic qualifications, pedagogical training, professional experience and status, teaching methods, teaching materials and variations in classroom conditions – all factors that could also affect the quality of teaching/learning and pupil performance.

CAS Code # 32S3

## EMPLOYMENT AND WORKFORCE

### Labor force participation rate – total, male, female

*Source:* Derived from World Development Indicators, but the precise computation differs depending on whether a particular country study uses the 2004 or 2005 WDI.

To calculate the *total* labor force participation rate using WDI 2004: the numerator is Labor force, total (SL.TLF.TOTL.IN), and the denominator is Population ages 15-64, total (SP.POP.1564.TO). Using WDI 2005, the denominator is calculated as the total population (SP.POP.TOTL) times the percentage of the population in the age group 15-64 (SP.POP.1564.IN.ZS).

To calculate the *female* labor force participation rate using WDI 2004: the numerator is the Labor force, female (% of total labor force) (SL.TLF.TOTL.FE.ZS) times Labor force, total (SL.TLF.TOTL.IN); the denominator is simply Population ages 15-64, female (SP.POP.1564.FE.IN). Using WDI 2005, the denominator (female population, ages 15-64), can only be estimated by multiplying the total population (SP.POP.TOTL) times the percentage of the population ages 15-64 (SP.POP.1564.IN.ZS) times the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

To calculate the *male* labor force participation rate using WDI 2004: the numerator is calculated by subtracting the female labor force, derived above, from the total labor force (SL.TLF.TOTL.IN). The denominator is Population ages 15-64, male (SP.POP.1564.MA.IN). Using WDI 2005, the



denominator is an estimated of the male population, ages 15-64, calculated as the total population (SP.POP.TOTL) times the percentage ages 15-64 (SP.POP.1564.IN.ZS) times the percentage of males in the total population, where the final factor is computed as 100 minus the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

*Definition:* The percentage of the working age population that is in the labor force. The labor force comprises people who meet the International Labour Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #33P1*

### Rigidity of employment index

*Source:* World Bank, Doing Business in 2005, Hiring and Firing Workers Category:

<http://rru.worldbank.org/DoingBusiness/ExploreTopics/HiringFiringWorkers/CompareAll.aspx>

*Definition:* Rigidity of employment index is a measure of labor market rigidity constructed as the average of the Difficulty of Hiring Index, Rigidity of Hours Index and a Difficulty of firing Index. Index ranges in value from 0 (minimum rigidity) to 100 (maximum rigidity).

*Coverage:* Data are available for about 74 USAID countries.

*Data Quality:* Sub-indices are compiled by the World Bank from survey responses by in-country specialists.

*CAS Code # 33P2*

### Size and growth of the labor force

*Source:* Size of labor force from World Bank Development Indicators (SL.TLF.TOTL.IN); annual percentage change calculated from size data.

*Definition:* The indicator measures the size of the labor supply, and its annual percent change. Labor force comprises of people who meet the International Labour Organization definition of the economically active population: all people who are able to supply labor for the production of goods and services during a specified period, including both employed and the unemployed. While national practices vary in the treatment of such groups as the armed forces and seasonal or part-time workers; in general, the labor force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

*Coverage:* Data are available for about 88 USAID countries.

*CAS Code #33P3*

### Unemployment rate

*Source:* World Development Indicators 2005 series SL.UEM.TOTL.ZS.

*Definition:* The unemployment rate refers to the share of the labor force that is without work but available for and seeking employment. For this purpose, informal sector workers and own-account workers (including subsistence farmers) are counted as being employed.

*Coverage:* Data are available for about 50 USAID countries.

*Data Quality:* Definitions of labor force and unemployment differ by country, making international comparisons inaccurate.

*CAS Code # 33P4*

## AGRICULTURE

### Agriculture value added per worker

*Source:* World Development Indicators 2005 series EA.PRD.AGRI.KD, derived from World Bank national accounts files and Food and Agriculture Organization, Production Yearbook and data files.

*Definition:* Agriculture value added per worker is a basic measure of labor productivity in agriculture. Value added in agriculture measures the output of the agricultural sector (ISIC divisions 1-5) – forestry, hunting, fishing, cultivation of crops, and livestock production – less the value of intermediate inputs. Data are in constant 1995 U.S. dollars.

*Coverage:* Data are available for about 80 USAID countries.

*CAS Code # 34P1*

### Cereal yield

*Source:* World Development Indicators 2005 series AG.YLD.CREL.KG based on Food and Agriculture Organization (FAO), Production Yearbook and data files.

*Definition:* Cereal yield is measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only.

*Coverage:* Data are available for about 84 USAID countries.

*Data Quality:* Data on cereal yield may be affected by a variety of reporting and timing differences. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. But most of a crop harvested near the end of a year will be used in the following year. Cereal crops harvested for hay or harvested green for food, feed, or silage, and those used for grazing, are generally excluded. But millet and sorghum, which are grown as feed for livestock and poultry in Europe and North America, are used as food in Africa, Asia, and countries of the former Soviet Union. So some cereal crops are excluded from the data for some countries and included elsewhere, depending on their use.

*CAS Code # 34P2*

### Growth in agricultural value added

*Source:* The latest country data are taken from national data sources or from IMF Article IV Reviews:

[www.imf.org/external/np/sec/aiv/index.htm](http://www.imf.org/external/np/sec/aiv/index.htm). The

benchmarking data are from World Development Indicators 2005 series NV.AGR.TOTL.KD.ZG

*Definition:* The indicator measures the annual growth rate for agricultural value added, in constant local currency. Regional group aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1-5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after adding up all outputs and subtracting intermediate inputs. It is calculated without making deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

*Coverage:* Data are available for about 84 USAID countries.

*CAS Code # 34P3*

### Agricultural policy costs index

*Source:* Global Competitiveness Report 2005-2006, World Economic Forum. The indicator can be found in the Data Tables, Section II. Macroeconomic Environment; 2.20.

*Definition:* The index measures executives' perceptions of agricultural policy costs in their respective country. Executives grade, on a scale from 1 to 7, whether the cost of agricultural policy in a given country is (1) excessively burdensome, or (7) balances all economic agents' interests.

*Coverage:* Data are available for about 52 USAID countries.

*Data Quality:* Comparisons between countries are difficult, since the data are based on executives' perceptions.

CAS Code # 34S1

### **Crop production index**

*Source:* World Development Indicators 2005 series  
AG.PRD.CROP.XD, based on FAO statistics.

*Definition:* Crop production index shows agricultural production for each year relative to the period 1999-2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

*Coverage:* Data are available for about 85 USAID countries.

*Data Quality:* Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999-2001. The FAO obtains data from official and semiofficial reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity so that, for example, one metric ton of wheat has the same price regardless of where it was produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

*Coverage:* Data are available for about 85 USAID countries.

CAS Code # 34S2

### **Livestock Production index**

*Source:* World Development Indicators 2005 series  
AG.PRD.LVSK.XD, based on FAO.

*Definition:* Livestock production index shows livestock production for each year relative to the base period 1999-2001 = 100. The index includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins.

*Coverage:* Data are available for about 85 USAID countries.

*Data Quality:* See comments on the Crop Production Index.

CAS Code # 34S3